

Substitute Bill No. 386

January Session, 2015



AN ACT CONCERNING ALCOHOLIC LIQUOR.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (Effective October 1, 2015) (a) As used in this
- 2 section, "powdered alcohol" means molecularly encapsulated alcohol
- 3 in powdered form that may be used in such form or reconstituted as
- 4 an alcoholic beverage when mixed with water or other liquid.
- 5 (b) No person shall knowingly purchase, possess or sell powdered 6 alcohol.
- 7 (c) Any person who knowingly purchases or possesses powdered 8 alcohol in violation of subsection (b) of this section shall be fined one
- 9 hundred dollars for the first offense, two hundred fifty dollars for the
- second offense and five hundred dollars for each subsequent offense.
- 11 (d) Any person who knowingly sells powdered alcohol in violation
- of subsection (b) of this section shall be fined two hundred fifty dollars
- 13 for the first offense, five hundred dollars for the second offense and
- 14 one thousand dollars for each subsequent offense.
- 15 Sec. 2. Subsection (c) of section 30-91 of the general statutes is
- 16 repealed and the following is substituted in lieu thereof (Effective July
- 17 1, 2015):
- 18 (c) Notwithstanding any provisions of subsections (a) and (b) of this
- 19 section, such sale or dispensing or consumption or presence in glasses

20 in places operating under a bowling establishment permit shall be 21 unlawful before [two p.m.] eleven a.m. on any day, except in that 22 portion of the permit premises which is located in a separate room or 23 rooms entry to which, from the bowling lane area of the establishment, 24 is by means of a door or doors which shall remain closed at all times 25 except to permit entrance and egress to and from the lane area. Any 26 alcoholic liquor sold or dispensed in a place operating under a bowling 27 establishment permit shall be served in containers such as, but not 28 limited to, plastic or glass. Any town may, by vote of a town meeting 29 or by ordinance, reduce the number of hours during which sales under 30 this subsection shall be permissible.

- Sec. 3. Section 30-90a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):
- 33 Any person sixteen years of age or over [age eighteen] may be 34 employed by an employer holding a permit issued under this chapter, 35 except that (1) any person fifteen years of age or older may be so 36 employed by such an employer on premises operating under a grocery 37 store beer permit, and (2) any person under the age of eighteen who is 38 employed on any permit premises shall not serve or sell alcoholic 39 <u>liquor</u>. A minor performing paid or volunteer services of an emergency 40 nature shall be deemed to be an employee subject to the provisions of 41 this section.
- Sec. 4. Subsection (e) of section 30-16 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July* 44 1, 2015):
 - (e) (1) A manufacturer permit for a farm winery shall be in all respects the same as a manufacturer permit, except that the scope of operations of the holder shall be limited to wine and brandies distilled from grape products or other fruit products, including grappa and eau-de-vie. As used in this section, "farm winery" means any place or premises [,] that is located on a farm in the state in which wine is manufactured and sold.

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(2) Such permit shall, at the single principal premises of the farm winery, authorize (A) the sale in bulk by the holder thereof from the premises where the products are manufactured pursuant to such permit; (B) as to a manufacturer who produces one hundred thousand gallons of wine or less per year, the sale and shipment by the holder thereof to a retailer of wine manufactured by the farm winery permittee in the original sealed containers of not more than fifteen gallons per container; (C) the sale and shipment by the holder thereof of wine manufactured by the farm winery permittee to persons outside the state; (D) the offering and tasting of free samples of such wine or brandy, dispensed out of bottles or containers having capacities of not more than two gallons per bottle or container, to visitors and prospective retail customers for consumption on the premises of the farm winery permittee; (E) the sale at retail from the premises of sealed bottles or other sealed containers of such wine or brandy for consumption off the premises; (F) the sale at retail from the premises of wine or brandy by the glass and bottle to visitors on the premises of the farm winery permittee for consumption on the premises; and (G) subject to the provisions of subdivision (3) of this subsection, the sale and delivery or shipment of wine manufactured by the permittee directly to a consumer in this state. Notwithstanding the provisions of subparagraphs (D), (E) and (F) of this subdivision, a town may, by ordinance or zoning regulation, prohibit any such offering, tasting or selling at retail at premises within such town for which a manufacturer permit for a farm winery has been issued.

(3) A permittee, when selling and shipping wine directly to a consumer in this state, shall: (A) Ensure that the shipping labels on all containers of wine shipped directly to a consumer in this state conspicuously state the following: "CONTAINS ALCOHOL—SIGNATURE OF A PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY"; (B) obtain the signature of a person age twenty-one or older at the address prior to delivery, after requiring the signer to demonstrate that he or she is age twenty-one or older by providing a valid motor vehicle operator's license or a valid identity card described

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in section 1-1h; (C) not ship more than five gallons of wine in any two-month period to any person in this state; (D) pay, to the Department of Revenue Services, all sales taxes and alcoholic beverage taxes due under chapters 219 and 220 on sales of wine to consumers in this state, and file, with said department, all sales tax returns and alcoholic beverage tax returns relating to such sales; (E) report to the Department of Consumer Protection a separate and complete record of all sales and shipments to consumers in the state, on a ledger sheet or similar form which readily presents a chronological account of such permittee's dealings with each such consumer; (F) not ship to any address in the state where the sale of alcoholic liquor is prohibited by local option pursuant to section 30-9; and (G) hold an in-state transporter's permit pursuant to section 30-19f or make any such shipment through the use of a person who holds such an in-state transporter's permit.

- (4) No licensed farm winery may sell any such wine or brandy not manufactured by such winery, except a licensed farm winery may sell from the premises wine manufactured by another farm winery located in this state.
- (5) The farm winery permittee shall grow on the premises of the farm winery or on property under the same ownership and control of said permittee or leased by the backer of a farm winery permit or by said permittee within the farm winery's principal state an average crop of fruit equal to not less than twenty-five per cent of the fruit used in the manufacture of the farm winery permittee's wine. An average crop shall be defined each year as the average yield of the farm winery permittee's two largest annual crops out of the preceding five years, except that during the first seven years from the date of issuance of a farm winery permit, an average crop shall be defined as three tons of grapes for each acre of vineyard farmed by the farm winery permittee. Such seven-year period shall not begin anew if the property for which the farm winery permit is held is transferred or sold during such seven-year period. In the event the farm winery consists of more than

- one property, the aggregate acreage of the farm winery shall not be less than five acres.
- 121 (6) A holder of a manufacturer permit for a farm winery, when 122 advertising or offering wine for direct shipment to a consumer in this 123 state via the Internet or any other on-line computer network, shall 124 clearly and conspicuously state such liquor permit number in its 125 advertising.
 - (7) A holder of a manufacturer permit for a farm winery may sell wine manufactured from such winery at a farmers' market, as defined in section 22-6r, that is operated as a nonprofit enterprise or association, provided such farmers' market invites such holder to sell wine at such farmers' market and such holder has a farmers' market wine sales permit issued by the Commissioner of Consumer Protection in accordance with the provisions of subsection (a) of section 30-37o.
- 133 (8) The annual fee for a manufacturer permit for a farm winery shall be three hundred dollars.
- Sec. 5. Subsection (a) of section 30-16 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):
 - (a) A manufacturer permit shall allow the manufacture of alcoholic liquor and the storage, bottling and wholesale distribution and sale of alcoholic liquor manufactured or bottled to permittees in this state and without the state as may be permitted by law; but no such permit shall be granted unless the place or the plan of the place of manufacture has received the approval of the Department of Consumer Protection. The holder of a manufacturer permit who produces less than twenty-five thousand gallons of alcoholic liquor in a calendar year may sell at retail from the premises sealed bottles or other sealed containers of alcoholic liquor manufactured on the premises for consumption off the premises, provided such holder shall not sell to any one consumer more than one and one-half liters of alcoholic liquor per day nor more

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than five gallons of alcoholic liquor in any two-month period. Retail sales by a holder of a manufacturer permit shall occur only on the days and times permitted under subsection (d) of section 30-91. A holder of a manufacturer permit, alone or in combination with any parent or subsidiary business or related or affiliated party, who sells more than ten thousand gallons of alcoholic liquor in any calendar year may not sell alcoholic liquor at wholesale to retail permittees within this state. Such permit shall also authorize the offering and tasting, either with or without charge, on the premises of the permittee, of [free] samples of spirits distilled on the premises. Tastings shall not exceed [one-half ounce] two ounces per patron per day and shall not be allowed on such premises on Sunday before eleven o'clock a.m. and after eight o'clock p.m. and on any other day before ten o'clock a.m. and after eight o'clock p.m. No tastings shall be offered to or allowed to be consumed by any minor or intoxicated person. A holder of a manufacturer permit may apply for and shall receive an out-of-state shipper's permit for manufacturing plants and warehouse locations outside the state owned by such manufacturer or a subsidiary corporation thereof, at least eighty-five per cent of the voting stock of which is owned by such manufacturer, to bring into any of its plants or warehouses in the state alcoholic liquors for reprocessing, repackaging, reshipment or sale either (1) within the state to wholesaler permittees not owned or controlled by such manufacturer, or (2) outside the state. A holder of a manufacturer permit, alone or in combination with any parent or subsidiary business or affiliated party, who sells ten thousand gallons of alcoholic liquor or less in any calendar year, except the holder of a manufacturer permit for cider, may apply for and shall receive a wholesaler permit. The annual fee for a manufacturer permit shall be one thousand eight hundred fifty dollars.

Sec. 6. Subsection (c) of section 30-16 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(c) A manufacturer permit for cider not exceeding six per cent

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alcohol by volume and apple wine not exceeding fifteen per cent alcohol by volume shall allow (1) the manufacture, storage, bottling and wholesale distribution and sale at retail of such cider and apple wine to permittees and nonpermittees in this state as may be permitted by law; but no such permit shall be issued unless the place or the plan of the place of manufacture has received the approval of the department; [and] (2) the sale and shipment by the holder of such permit of such cider and such apple wine to persons outside the state and to consumers in this state in the same manner and subject to the same conditions as such sale and shipment is permitted for wine by a farm winery manufacturer permittee pursuant to subsection (e) of this section; and (3) the offering and tasting, on the premises of the permittee, of free samples of cider and apple wine manufactured on such premises. Tastings shall not exceed two ounces per patron and shall not be allowed on such premises on Sunday before eleven o'clock a.m. and after eight o'clock p.m. and on any other day before ten o'clock a.m. and after eight o'clock p.m. No tasting shall be offered to or allowed to be consumed by any minor or intoxicated person. Offerings and tastings may be limited to visitors who have attended a tour of the premises of the permittee. The annual fee for a manufacturer permit for cider shall be two hundred dollars.

Sec. 7. (NEW) (Effective July 1, 2015) (a) The holder of an alcoholic liquor permit issued by the Department of Consumer Protection pursuant to subsections (b) to (g), inclusive, of section 30-16 of the general statutes, as amended by this act, or an agent of such permit holder, shall furnish potable water without charge to any person on the permit premises requesting such water or shall offer nonalcoholic beverages for sale to such person.

(b) A permittee or such permittee's agent shall not be required to furnish such water or offer nonalcoholic beverages for sale during the hours and days that the sale or dispensing of alcoholic liquor is prohibited pursuant to subsection (a) of section 30-91 of the general statutes. Such potable water shall meet all federal and state

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- requirements concerning purity of drinking water and shall be supplied in a receptacle suitable to permit the individual consumption of not less than twelve ounces per serving.
- (c) The Department of Consumer Protection may, in its discretion, suspend, revoke or refuse to grant or renew an alcoholic liquor permit pursuant to subsection (a) of section 30-47 of the general statutes if the department has reasonable cause to believe a permittee has violated any provision of this section.
- Sec. 8. Subsection (e) of section 30-16 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):
 - (e) (1) A manufacturer permit for a farm winery shall be in all respects the same as a manufacturer permit, except that the scope of operations of the holder shall be limited to wine and brandies distilled from grape products or other fruit products, including grappa and eau-de-vie. As used in this section, "farm winery" means any place or premises, located on a farm in the state in which wine is manufactured and sold.
 - (2) Such permit shall, at the single principal premises of the farm winery, authorize (A) the sale in bulk by the holder thereof from the premises where the products are manufactured pursuant to such permit; (B) as to a manufacturer who produces one hundred thousand gallons of wine or less per year, the sale and shipment by the holder thereof to a retailer of wine manufactured by the farm winery permittee in the original sealed containers of not more than fifteen gallons per container; (C) the sale and shipment by the holder thereof of wine manufactured by the farm winery permittee to persons outside the state; (D) the offering and tasting of free samples of such wine or brandy to visitors and prospective retail customers for consumption on the premises of sealed bottles or other sealed containers of such wine or brandy for consumption off the premises; (F) the sale at retail from

the premises of wine or brandy by the glass and bottle to visitors on the premises of the farm winery permittee for consumption on the premises; and (G) subject to the provisions of subdivision (3) of this subsection, the sale and delivery or shipment of wine manufactured by the permittee directly to a consumer in this state. Notwithstanding the provisions of subparagraphs (D), (E) and (F) of this subdivision, a town may, by ordinance or zoning regulation, prohibit any such offering, tasting or selling at retail at premises within such town for which a manufacturer permit for a farm winery has been issued.

(3) A permittee, when selling and shipping wine directly to a consumer in this state, shall: (A) Ensure that the shipping labels on all containers of wine shipped directly to a consumer in this state conspicuously state the following: "CONTAINS ALCOHOL-SIGNATURE OF A PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY"; (B) obtain the signature of a person age twenty-one or older at the address prior to delivery, after requiring the signer to demonstrate that he or she is age twenty-one or older by providing a valid motor vehicle operator's license or a valid identity card described in section 1-1h; (C) not ship more than five gallons of wine in any twomonth period to any person in this state; (D) pay, to the Department of Revenue Services, all sales taxes and alcoholic beverage taxes due under chapters 219 and 220 on sales of wine to consumers in this state, and file, with said department, all sales tax returns and alcoholic beverage tax returns relating to such sales; (E) report to the Department of Consumer Protection a separate and complete record of all sales and shipments to consumers in the state, on a ledger sheet or similar form which readily presents a chronological account of such permittee's dealings with each such consumer; (F) not ship to any address in the state where the sale of alcoholic liquor is prohibited by local option pursuant to section 30-9; and (G) hold an in-state transporter's permit pursuant to section 30-19f or make any such shipment through the use of a person who holds such an in-state transporter's permit.

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- (4) No licensed farm winery may sell any such wine or brandy not manufactured by such winery, except a licensed farm winery may sell from the premises (A) wine manufactured by another farm winery located in this state, and (B) brandy manufactured from fruit harvested in this state and distilled off the premises in this state.
- (5) The farm winery permittee shall grow on the premises of the farm winery or on property under the same ownership and control of said permittee or leased by the backer of a farm winery permit or by said permittee within the farm winery's principal state an average crop of fruit equal to not less than twenty-five per cent of the fruit used in the manufacture of the farm winery permittee's wine. An average crop shall be defined each year as the average yield of the farm winery permittee's two largest annual crops out of the preceding five years, except that during the first seven years from the date of issuance of a farm winery permit, an average crop shall be defined as three tons of grapes for each acre of vineyard farmed by the farm winery permittee. Such seven-year period shall not begin anew if the property for which the farm winery permit is held is transferred or sold during such seven-year period. In the event the farm winery consists of more than one property, the aggregate acreage of the farm winery shall not be less than five acres.
- (6) A holder of a manufacturer permit for a farm winery, when advertising or offering wine for direct shipment to a consumer in this state via the Internet or any other on-line computer network, shall clearly and conspicuously state such liquor permit number in its advertising.
- (7) A holder of a manufacturer permit for a farm winery may sell wine manufactured from such winery at a farmers' market, as defined in section 22-6r, that is operated as a nonprofit enterprise or association, provided such farmers' market invites such holder to sell wine at such farmers' market and such holder has a farmers' market wine sales permit issued by the Commissioner of Consumer Protection in accordance with the provisions of subsection (a) of section 30-37o.

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- 314 (8) The annual fee for a manufacturer permit for a farm winery shall 315 be three hundred dollars.
- Sec. 9. Subsection (a) of section 30-20 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):
 - (a) A package store permit shall allow the retail sale of alcoholic liquor not to be consumed on the premises, such sales to be made only in sealed bottles or other containers. The holder of a package store permit may, in accordance with regulations adopted by the Department of Consumer Protection pursuant to the provisions of chapter 54, offer free samples of alcoholic liquor for tasting on the premises, conduct fee-based wine education and tasting classes and demonstrations and conduct tastings or demonstrations provided by a permittee or backer of a package store for a nominal charge to charitable nonprofit organizations. Any offering, tasting, wine education and tasting class or demonstration held on permit premises shall be conducted only during the hours a package store is permitted to sell alcoholic liquor under section 30-91, as amended by this act. No tasting of wine on the premises shall be offered from more than ten uncorked bottles at any one time. No store operating under a package store permit shall sell any commodity other than alcoholic liquor except that, notwithstanding any other provision of law, such store may sell (1) cigarettes and cigars, (2) publications, (3) bar utensils, which shall include, but need not be limited to, corkscrews, beverage strainers, stirrers or other similar items used to consume or related to the consumption of alcoholic liquor, (4) gift packages of alcoholic liquor shipped into the state by a manufacturer or out-of-state shipper, which may include a nonalcoholic item in the gift package that may be any item, except food or tobacco products, provided the dollar value of the nonalcoholic items does not exceed the dollar value of the alcoholic items of the package, (5) complementary fresh fruits used in the preparation of mixed alcoholic beverages, (6) cheese or crackers, or both, (7) olives, [(7)] (8) nonalcoholic beverages, [(8)] (9) concentrates

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used in the preparation of mixed alcoholic beverages, [(9)] (10) beer and wine-making kits and products related to beer and wine-making kits, [(10)] (11) ice in any form, [(11)] (12) articles of clothing imprinted with advertising related to the alcoholic liquor industry, [(12)] (13) gift baskets or other containers of alcoholic liquor, [(13)] (14) multiple packages of alcoholic liquors, as defined in subdivision (3) of section 30-1, provided in all such cases the minimum retail selling price for such alcoholic liquor shall apply, [(14)] (15) lottery tickets authorized by the Department of Consumer Protection, if licensed as an agent to sell such tickets by said department, and [(15)] (16) gift baskets containing only containers of alcoholic liquor and commodities authorized for sale under subdivisions (1) to [(14)] (15), inclusive, of this subsection. A package store permit shall also allow the taking and transmitting of orders for delivery of such merchandise in other states. Notwithstanding any other provision of law, a package store permit shall allow the participation in any lottery ticket promotion or giveaway sponsored by the Department of Consumer Protection. The annual fee for a package store permit shall be five hundred thirty-five dollars.

| This act shall take effect as follows and shall amend the following sections: | | |
|---|-----------------|-------------|
| Section 1 | October 1, 2015 | New section |
| Sec. 2 | July 1, 2015 | 30-91(c) |
| Sec. 3 | from passage | 30-90a |
| Sec. 4 | July 1, 2015 | 30-16(e) |
| Sec. 5 | from passage | 30-16(a) |
| Sec. 6 | from passage | 30-16(c) |
| Sec. 7 | July 1, 2015 | New section |
| Sec. 8 | from passage | 30-16(e) |
| Sec. 9 | from passage | 30-20(a) |

GL Joint Favorable Subst.

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